

111TH CONGRESS  
1ST SESSION

# S. 399

To amend the Truth in Lending Act to prohibit universal defaults on credit card accounts, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 9, 2009

Mr. TESTER introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Truth in Lending Act to prohibit universal defaults on credit card accounts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Universal Default Pro-  
5 hibition Act of 2009”.

6 **SEC. 2. PROHIBIT UNIVERSAL DEFAULTS ON CREDIT CARD**  
7 **ACCOUNTS.**

8 Section 127 of the Truth in Lending Act (15 U.S.C.  
9 1637) is amending by adding at the end the following new  
10 subsection:

1 “(i) UNIVERSAL DEFAULTS PROHIBITED.—

2 “(1) IN GENERAL.—No creditor may use any  
3 adverse information concerning any consumer, in-  
4 cluding any information in any consumer report (as  
5 defined in section 603) or any change in the credit  
6 score of the consumer, as the basis for increasing  
7 any annual percentage rate of interest applicable to  
8 a credit card account of the consumer under an open  
9 end consumer credit plan, or to remove or increase  
10 any introductory annual percentage rate of interest  
11 applicable to such account, for reasons other than  
12 actions or omissions of the consumer that are di-  
13 rectly related to such account.

14 “(2) NOTICE TO CONSUMER.—The limitation  
15 under paragraph (1) on the use of adverse informa-  
16 tion by a credit card issuer shall be clearly and con-  
17 spicuously described to the consumer by the credit  
18 card issuer in any disclosure or statement required  
19 under subsection (a) or (b).”.

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